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Zhonggan Communication (Group) Holdings Limited
中贛通信(集團)控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2545)

SUPPLEMENTAL ANNOUNCEMENT TO THE 2025 ANNUAL REPORT

Reference is made to the annual report of Zhonggan Communication (Group) Holdings Limited (the "**Company**") for the year ended 31 December 2025 (the "**2025 Annual Report**"). Capitalised terms used herein shall have the same meanings as those defined in the 2025 Annual Report unless the context requires otherwise.

USE OF PROCEEDS FROM GLOBAL OFFERING

As disclosed in the 2025 Annual Report, after deducting the underwriting fees and commissions, the net proceeds received by the Company from the Global Offering (as defined in the Prospectus) amounted to approximately HK$141.9 million (the "**Net Proceeds**"). The original intended use of Net Proceeds, which amounted to approximately HK$141.9 million, was disclosed in the section headed "Future Plan and Use of Proceeds" in the Prospectus.

On 12 May 2025, the Company announced the reallocation of the use of the unutilised Net Proceeds of approximately HK$131.8 million as at 1 January 2025 and the extension of time of the use of Net Proceeds pursuant to the announcement of the Company dated 12 May 2025 (the "**UOP Announcement**"). As at 31 December 2025, the utilised Net Proceeds amounted to approximately HK$94.0 million, while the unutilised Net Proceeds amounted to approximately HK$37.8 million. The unutilised Net Proceeds were placed with authorised financial institutions or licensed banks in Hong Kong and the PRC as interest-bearing deposits.

The Company would like to provide additional information pursuant to paragraphs 11A and 11(8)(a) of Appendix D2 to the Listing Rules in relation to the use of Net Proceeds during the financial year ended 31 December 2025 as follows:

Usage	**Planned use of Net Proceeds as set out in the Prospectus** *HK$ million (approximately)*	**Utilised net Proceeds up to 31 December 2024** *HK$ million (approximately)*	**Utilised Net Proceeds since 1 January 2025 up to 12 May 2025** *HK$ million (approximately)*	**Unutilised Net Proceeds after the revised allocation stated in the UOP Announcement** *HK$ million (approximately)*	**Utilised Net Proceeds for the year ended 31 December 2025** *HK$ million (approximately)*	**Unutilised Net Proceeds as at 31 December 2025** *HK$ million (approximately)*	**Expected timeline for full utilization of the balance**
Selectively pursue strategic acquisitions	89.4	–	–	–	–	–	N/A
Payment of upfront costs in respect of prospective Integrated Solution Services projects	22.0	–	–	32.0	16.2	15.8	By the end of 31 December 2026
Strengthen research and development capabilities	24.6	4.2	–	45.4	23.4	22.0	By the end of 31 December 2026
Repayment of bank borrowings	–	–	–	39.4	39.4	–	N/A
General working capital	5.9	5.9	–	15.0	15.0	–	N/A
Total	141.9	10.1	–	131.8	94.0	37.8	

The Net Proceeds of approximately HK$10.1 million and HK$94.0 million have been utilised according to the intentions previously disclosed in the Prospectus and UOP Announcement, respectively. The remaining balance of unutilised Net Proceeds of approximately HK$37.8 million as at 31 December 2025 is expected to be utilised by 31 December 2026 according to the intentions previously disclosed in the UOP Announcement.

Reasons for and Benefits of the Change in the Use of Proceeds

In seeking for selective strategic acquisitions, although the Group has engaged discussions with several potential acquisition targets after the Listing, as at the date of this announcement, no agreement for acquisition has been reached in respect of any of them. Taking into consideration the various internal and external factors, such as the recent slowdown in the global and local economies as well as the uncertainty of international situation, which have resulted in the overall operating conditions of the potential acquisition targets being far below the expectation of the Group, coupled with the intensified competition in the telecommunications infrastructure services industry, the acquisition strategy alone is no longer sufficient to maintain a competitive edge. Therefore, the Group has adopted a more prudent approach to strategic acquisitions to ensure that any acquisition is only reported after careful consideration and is in the interests of the Group and the Shareholders as a whole. In the future, the Group will make unremitting efforts to identify acquisition targets that are in the interests of the Group and the Shareholders as a whole. If there are suitable targets, the Group will resume acquisition activities with its own funds and/or bank borrowings. The Board is of the view that the Group will not utilise the acquisition funds as scheduled or in a timely manner. As mentioned above, it may not be the best option to proceed with strategic acquisitions at this stage, and hence a decision is made to propose that the remaining Net Proceeds originally designated for such purpose be reallocated for the following purposes:

1. Increasing the payment of upfront cost for the Integrated Solution Services projects

According to the recent research and analysis, the Group considers that the existing scale of the Integrated Solution Services projects is larger than the previously expected, resulting in a concurrent increase in the relevant upfront costs for the projects. Therefore, an appropriate increase in the upfront cost investment will be conducive to the Group's provision of better integrated solutions services. Also, the gross profit margin of the Integrated Solution Services is relatively higher and can improve the profitability of the Group.

2. Increasing investment in R&D capacity

The development of new information technologies such as 6G and AI in the second half of 2024 has outpaced our expectations. After due consideration, the Board is of the view that it is necessary to increase the investment in the R&D aspects including 6G, AI and quantum communications to ensure that our technological capability matches the current cutting-edge technological standards and enhance our core competitiveness in the long run. With the accelerating global digital transformation and growing demand for communication technologies, the Group can further strengthen our market competitiveness through technological innovations and quality services, thus increasing investment in R&D capacity is in line with the development plans and the long-term interests of the Group.

3. Repayment of bank loans and general working capital

As stated in the Prospectus, the Group only deposited the Net Proceeds in short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions, which generated a relative low interest income as compared to the prevailing bank loan interest rates. To enhance the Group's financial stability and allocate the capital more efficiently for the purpose of creating long-term Shareholder value, after careful consideration, the Board proposes to reallocate a portion of the Net Proceeds that are originally intended for strategic acquisitions to repay the bank borrowings and as general working capital to strengthen cash flow management and address global and local economic uncertainties. The Board believes that repaying bank loans would reduce financing costs without materially adversely affecting the Group's existing business and operations. Instead, it will improve capital efficiency, optimize balance sheet structure, as well as enhance its profitability, which is in line with the Group's development strategy and the overall interests of Shareholders.

SHARE OPTION SCHEME

The Company would like to provide additional information pursuant to the Rule 17.09(3) of the Listing Rules in relation to the Share Option Scheme as follows:

As at the date of 2025 Annual Report, 64,000,000 ordinary shares were available for issue under the Share Option Scheme, which represented approximately 10.0% of the total issued shares of the Company as at the date of 2025 Annual Report.

The above additional information supplements, and should be read in conjunction with, the 2025 Annual Report. The above additional information does not affect other information contained in the 2025 Annual Report and, save as disclosed in this announcement, the remaining contents of the 2025 Annual Report remain unchanged.

By Order of the Board
Zhonggan Communication (Group) Holdings Limited
Liu Haoqiong
Chairman and Executive Director

Hong Kong, 17 November 2026

As at the date of this announcement, the executive Directors are Mr. Liu Haoqiong, Mr. Peng Shengqian, Ms. Xie Xiaolan, Mr. Liu Dingli, Mr. Liu Dingyi and Mr. Zhou Zhiqiang; and the independent non-executive Directors are Mr. Yu Shiyong, Mr. Zhu Yugang and Mr. Zhao Hezhen.